



# Supplemental Material For FY2025 First Quarter Financial Results

## **NJ Holdings Inc.**

Tokyo Stock Exchange Standard Market  
Code number: 9421

November 8, 2024

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## **I . FY2025 First Quarter Highlights**

## **II . Forecasts for FY2025**

## **III . Company Profile**

**(Note) FY2025 is Fiscal Year Ending June 30, 2025.**

# I . FY2025 First Quarter Highlights

# 1. Consolidated Financial Results

## (1) Results Summary

Decrease in both development and operation sales, mainly in the game business. Gross profit decreased due to lower development sales.

	FY2024 1Q Jul.-Sep.'23	FY2025 1Q Jul.-Sep.'24	Change	(in millions of yen)
Net sales	2,767	<b>2,119</b>	(647)	•Game (663)
Cost of sales	2,203	<b>1,721</b>	(481)	•Game (496)
Gross profit	564	<b>398</b>	(165)	•Game (167)
Selling, general and administrative expenses	415	<b>434</b>	18	
Operating profit	148	<b>(36)</b>	(184)	•Game (176)
Ordinary profit	153	<b>(43)</b>	(196)	
Net income before income taxes	188	<b>(43)</b>	(231)	
Profit attributable to owners of parent	142	<b>(16)</b>	(159)	
EBITDA※	173	<b>7</b>	(166)	

※ Throughout this document, EBITDA is defined by adding back depreciation and goodwill amortization to operating profit.

# 1. Consolidated Financial Results

## (2) Results by Segment

The game business secured segment profit, and the mobile business remained profitable.

(in millions of yen)

	Net sales			Operating profit		
	FY2024 1Q Jul.-Sep.'23	FY2025 1Q Jul.-Sep.'24	Change	FY2024 1Q Jul.-Sep.'23	FY2025 1Q Jul.-Sep.'24	Change
Game	2,178	<b>1,614</b>	(663)	212	<b>35</b>	(176)
Mobile	475	<b>490</b>	14	10	<b>7</b>	(3)
Other※1	16	<b>17</b>	1	8	<b>7</b>	(1)
Intersegment eliminations and corporate expenses※2	(2)	<b>(3)</b>	(0)	(62)	<b>(66)</b>	(4)
goodwill amortization	—	—	—	(19)	<b>(20)</b>	(0)
Consolidated total	2,767	<b>2,119</b>	(647)	148	<b>(36)</b>	(184)

※1 The Other segment is a business segment not included in the reportable segments.

※2 Corporate expenses are general and administrative expenses that do not belong to any reportable segment.

# 1. Consolidated Financial Results

## (3) Quarterly Net Sales by Segment

In the game business, sales increased slightly compared to the previous quarter.

(in millions of yen)

	Net Sales				
	FY2024				FY2025
	1Q Jul.-Sep.'23	2Q Oct.-Dec.'23	3Q Jan.-Mar.'24	4Q Apr.-Jun.'24	1Q Jul.-Sep.'24
Game	2,278	1,837	1,920	1,543	1,614
Mobile	475	551	543	493	490
Other※1	16	18	18	17	17
Intersegment eliminations	(2)	(4)	(4)	(4)	(3)
—	—	—	—	—	—
Consolidated total	2,767	2,402	2,477	2,050	2,119

※1 The Other segment is a business segment not included in the reportable segments.

# 1. Consolidated Financial Results

## (4) Quarterly Operating Profit by Segment

The game business returned to profitability in the segment due to the increase in sales. The consolidated loss reduced significantly from the 4Q of the previous fiscal year.

(in millions of yen)

	Operating Profit				
	FY2024				FY2025
	1Q Jul.-Sep.'23	2Q Oct.-Dec.'23	3Q Jan.-Mar.'24	4Q Apr.-Jun.'24	1Q Jul.-Sep.'24
Game	212	138	29	(39)	35
Mobile	10	17	14	4	7
Other※1	8	10	8	7	7
Intersegment eliminations and corporate expenses※2	(62)	(60)	(28)	(86)	(66)
goodwill amortization	(19)	(19)	(19)	(20)	(20)
Consolidated total	148	86	2	(135)	(36)

※1 The Other segment is a business segment not included in the reportable segments.

※2 Corporate expenses are general and administrative expenses that do not belong to any reportable segment.



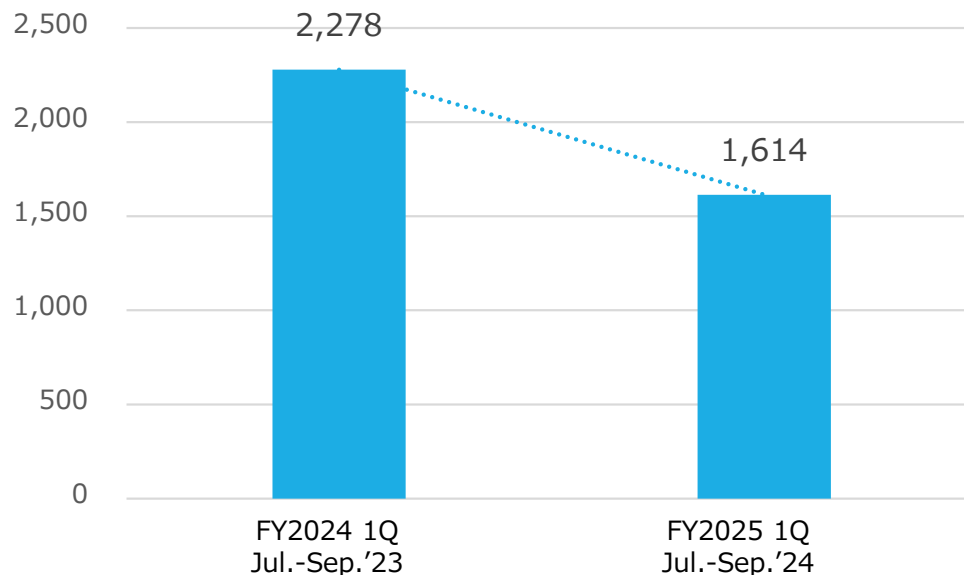
## 2. Game Segment (1) Overview

### Summary of MD&A

- Net sales decreased due to some projects that passed the peak of the development phase in the previous fiscal year and the downsizing of the team for projects that provide management and operational support.
- Operating income declined because, as mentioned above, some projects passed the peak of their development phase in the previous fiscal year, and orders for new projects for which planning and proposals are underway are expected in the second quarter of the current fiscal year or later.

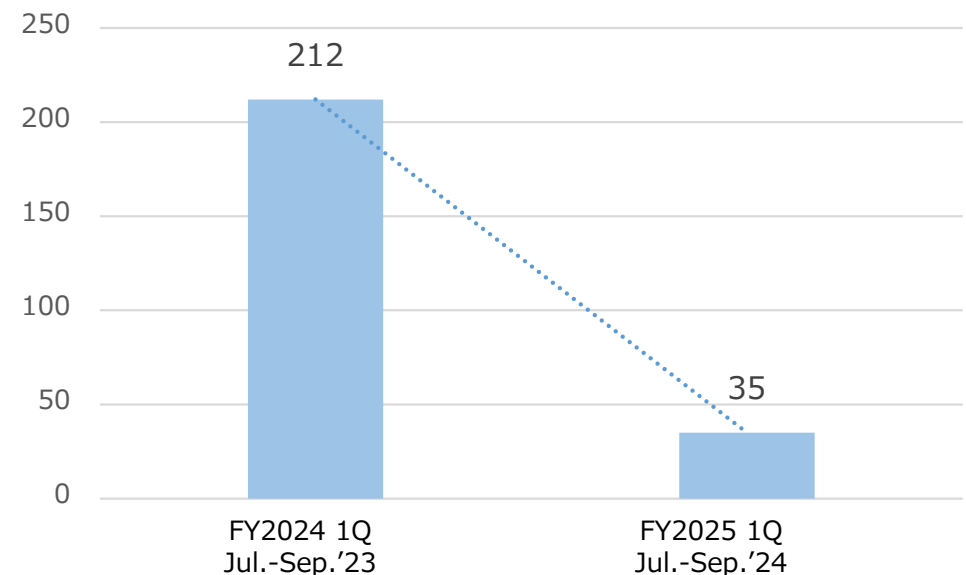
(in millions of yen)

Net sales



(in millions of yen)

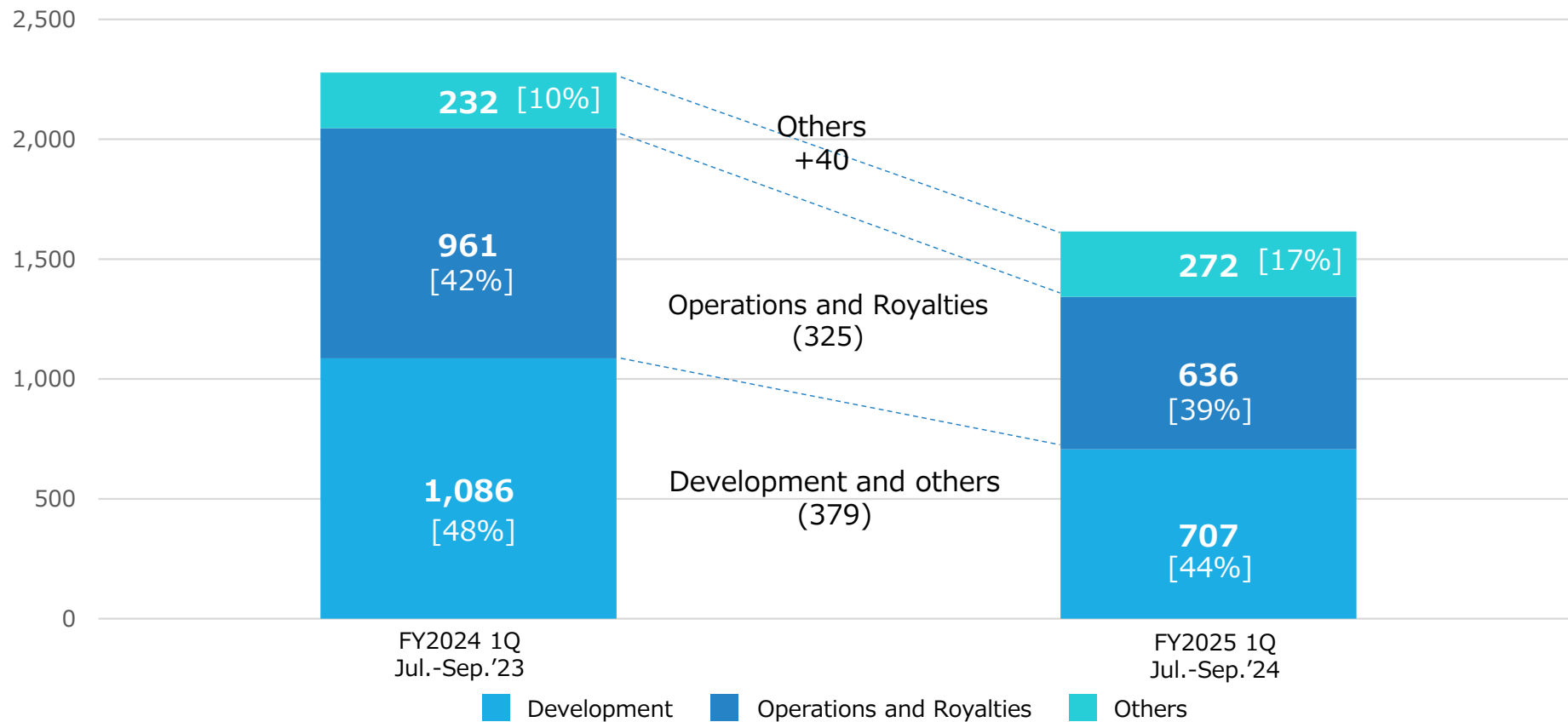
Operating profit



## 2. Game Segment (2) Sales Breakdown

Operating sales decreased due to the downsizing of the team for projects that provide management and operational support. Development sales decreased due to projects that passed the peak of the development phase in the previous fiscal year.

(in millions of yen)

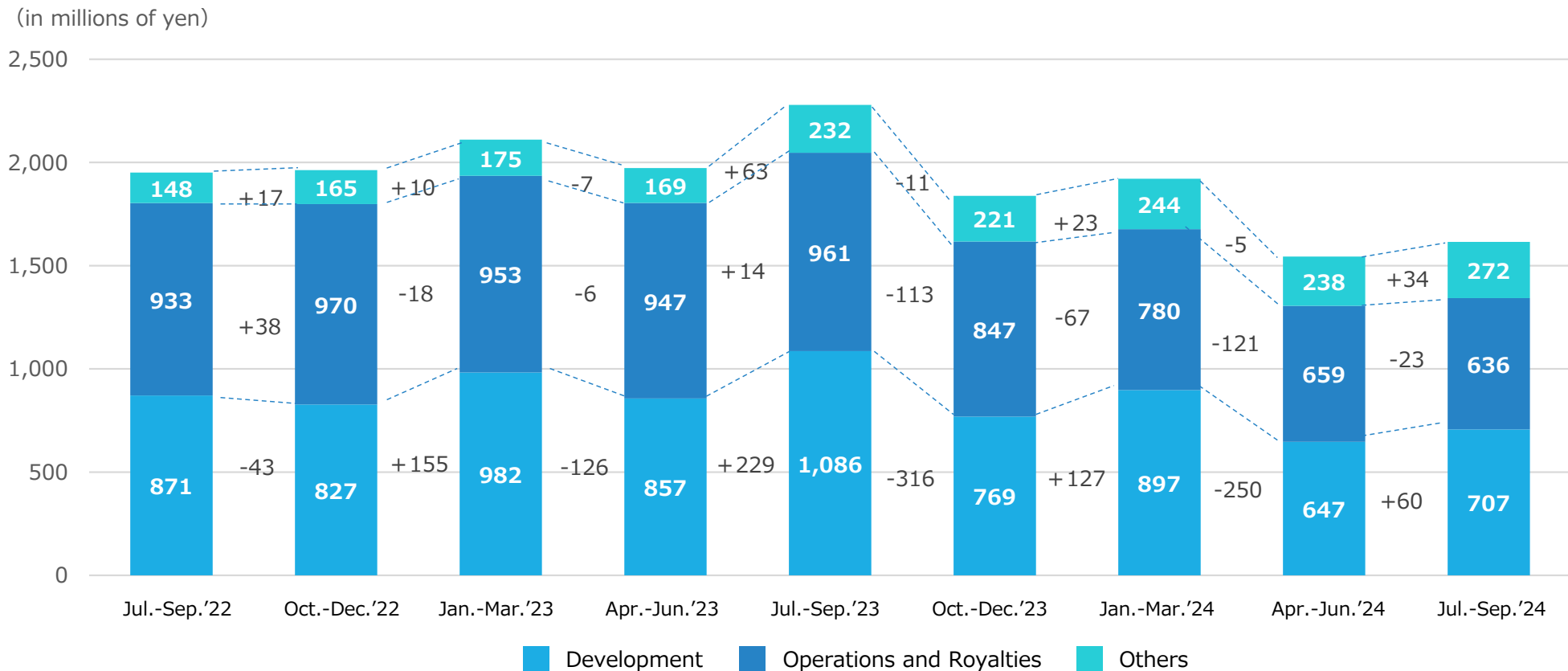


- ※Operational sales include sales that involve development, such as version upgrades after delivery and release.
- ※The breakdown of operational sales and royalties is not disclosed.
- ※Development sales cover sales up to the time of delivery and release. It also includes sales of other games, such as dispatch services.

## 2. Game Segment

### (3) Quarterly Sales Breakdown

Operating sales continued to decline gradually, but profit impact was controlled by controlling subcontracting costs. Development sales are expected to recover through the second half of the year, with new orders planned from the second quarter onward.



※Operational sales include sales that involve development, such as version upgrades after delivery and release.

※The breakdown of operational sales and royalties is not disclosed.

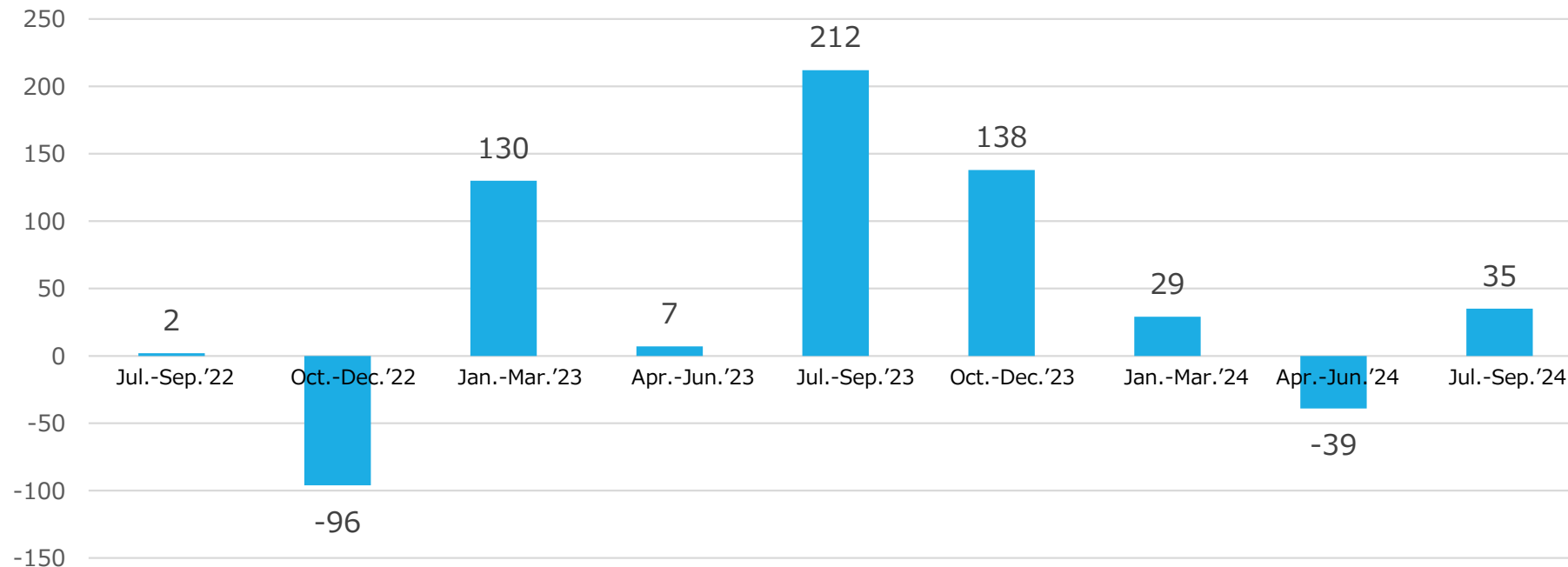
※Development sales cover sales up to the time of delivery and release. It also includes sales of other games, such as dispatch services.

## 2. Game Business

### (4) Quarterly Operating Profit

Segment profit was recorded in the quarterly transition due to efforts to win orders for short-term and small-scale projects, as well as projects that resulted in a larger-than-planned scale development structure.

(in millions of yen)



※The breakdown of operating income by development and operation and others is not disclosed.

## 2. Game Business

### (5) Other Information

#### Number of current developments, etc.

- Number of projects under development※1

- console type※2 ※3 (console and PC) 5 (±0 from Aug. 9, 2024)

- mobile app type※2 ※4 (smart phone and PC) 0 (±0 from Aug. 9, 2024)

- Business Size Information

- employees※5 794 (-15 from Jun 30, 2024)

※1 as of November 8, 2024. It does not indicate the number of titles that will be completed within this fiscal year.

※2 Multi-platform title counts as one. Small titles are not counted.

※3 Download sales and additional content are also included in the console type.

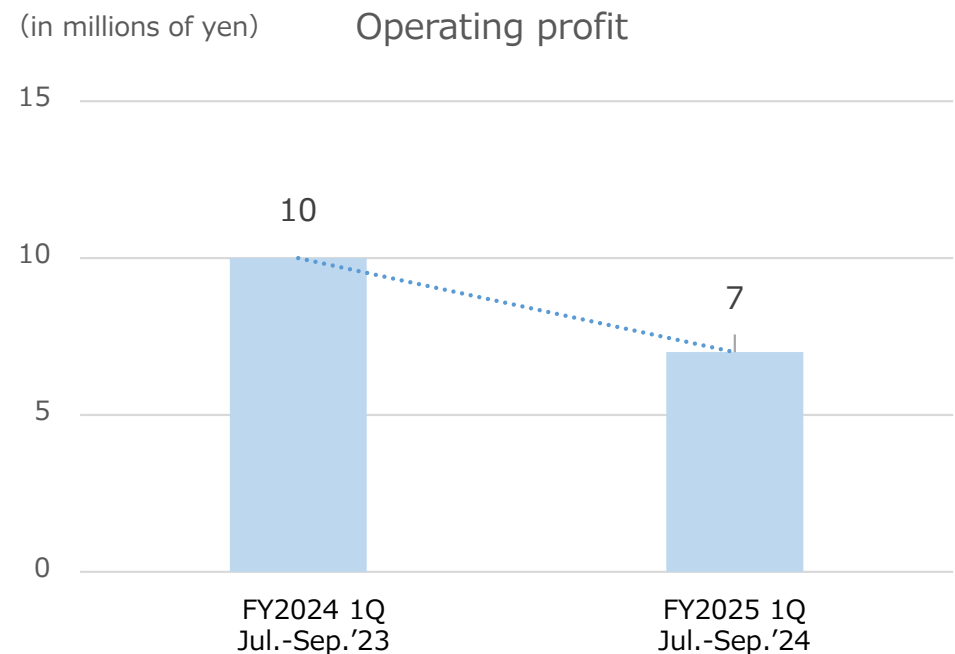
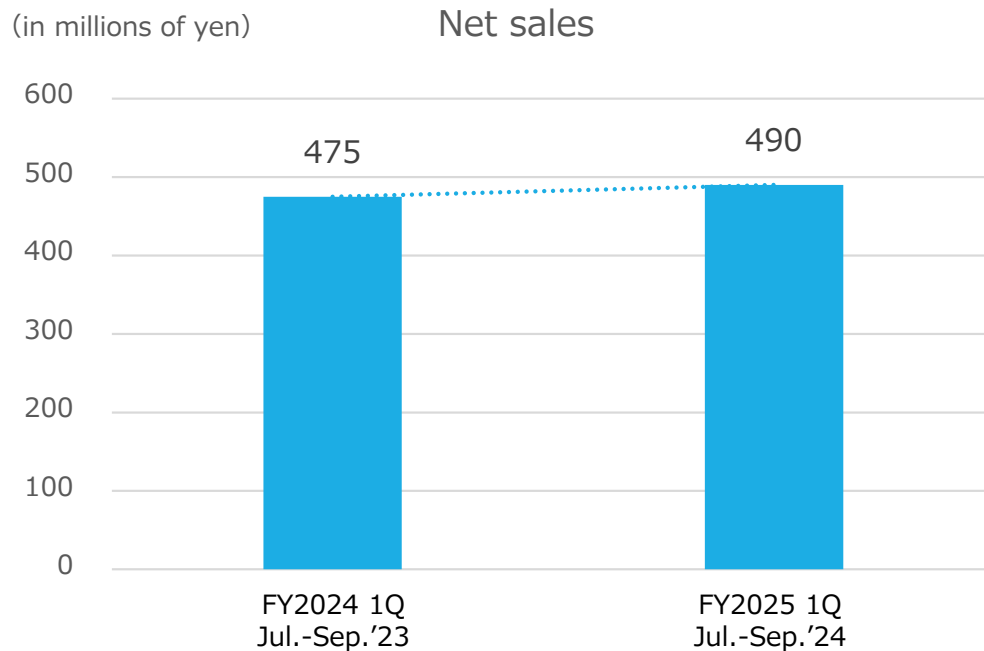
※4 including the free-to-play type.

※5 as of September 30, 2024 (including some fixed-term contract workers.)

### 3. Mobile Segment (1) Overview

#### Summary of MD&A

- Net sales were generally on par with the previous year, as the downward trend in the number of customers visiting the store bottomed out and the number of units sold was close to that of the same period last year, partly due to higher handset prices.
- Operating profit: Despite the lingering impact of the downward trend in the number of customers visiting our stores, we maintained profitability due to efficient store operations, including personnel allocation.



## 4. Recent topics (1-1) Game segment

■ July 26, 2024

『AOONI』 is released on Nintendo Switch™ and STEAM®.  
(published and developed by Game Studio Inc.)



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## 4. Recent topics (1-2) Game segment

■ July 8, 2024

『 BARRAGE ARENA 3v3 』 is released on Fortnite. It is a project that utilizes the UEFN.  
(developed by Game Studio Inc.)





## 4. Recent topics (1-3) Game segment

■ August 1, 2024

『50 PINCH BARRAGE!!』 is released on STEAM®.  
(published and developed by Game Studio Inc.)



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## 4. Recent topics (2) Mobile segment

- October 1, 2024
- Opened “au shop Kameoka” in Kyoto.  
(NEPRO CREATE Co., Ltd.)



## **II. Forecasts for FY2025**

# 1. Earnings Forecast

## (1) Full Year Consolidated Earnings Forecast

No change from the most recently announced forecasts on August 9, 2024.

(in millions of yen)

	FY2025 1Q Results Jul.-Sep.'24	FY2025 Forecast Jul.'24-Jun.'25	Progress	(Reference) FY2024 Results Jul.'23-Jun.'24
Net sales	2,119	<b>8,870</b>	23.9%	9,698
Operating profit	(36)	<b>100</b>	—	102
Ordinary profit	(40)	<b>60</b>	—	96
Profit attributable to owners of parent	(16)	<b>40</b>	—	284
EBITDA※	7	<b>240</b>	0.0%	213

※ Throughout this document, EBITDA is defined by adding back depreciation and goodwill amortization to operating profit.

# 1. Earnings Forecast

## (2) Progress and Analysis Toward Financial Forecasts

As stated in the earnings forecast announced on August 9, 2024, we had expected an operating loss in the first half of the current fiscal year, but the first quarter started better than expected.

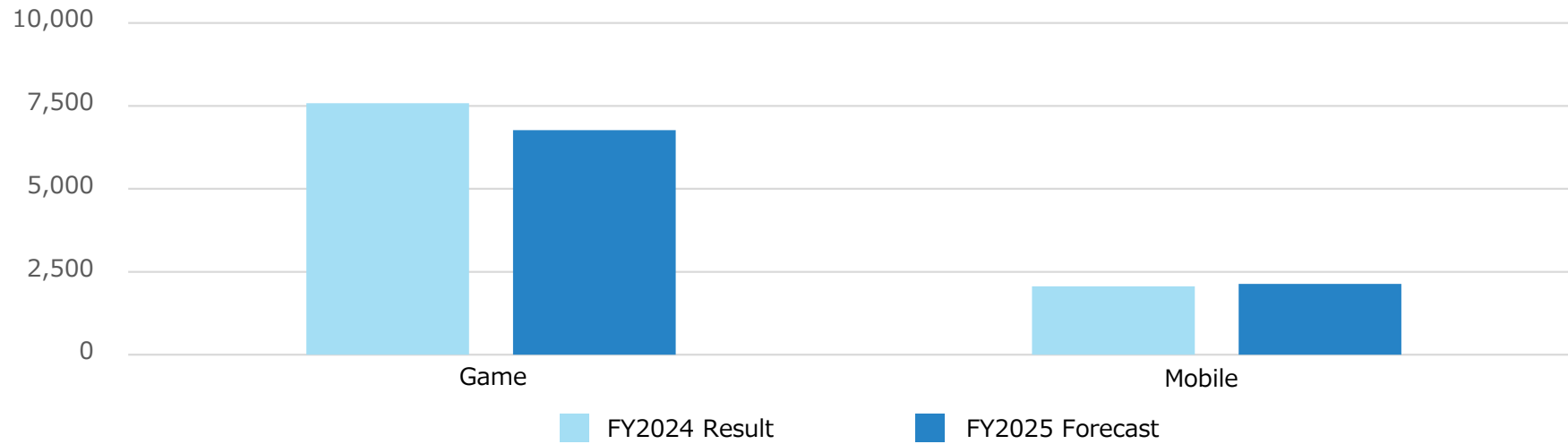
Due to efforts to win orders for short-term projects and small-scale projects, as well as projects that resulted in a larger-than-planned scale development team, the operating loss was significantly smaller than in the fourth quarter of the previous fiscal year, resulting in a smaller operating loss compared to the assumption made at the time of the earnings forecast.

On the other hand, the timing of orders for projects targeted for the second quarter of the current fiscal year may be delayed to the second half of the year, and at this point, we expect the difference from the full-year forecast to be slight.

There is no change to the full-year forecast for the current fiscal year (ending June 30, 2025) that was announced on August 9, 2024.

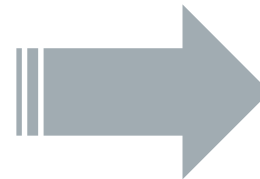
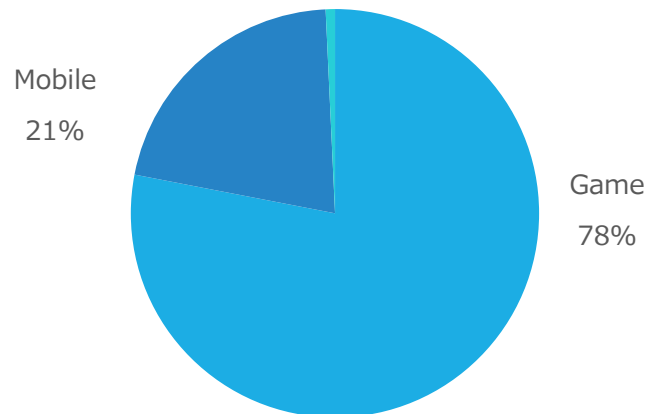
## 2. Forecasts by Segment (1) Sales Forecast by Segment

(in millions of yen)

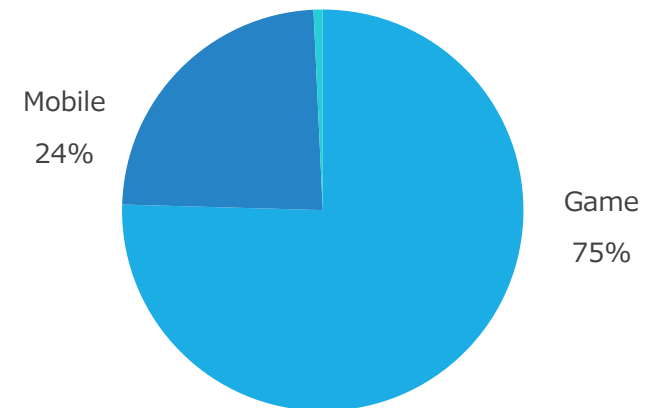


Percentage of net sales by segment

FY2024 Result

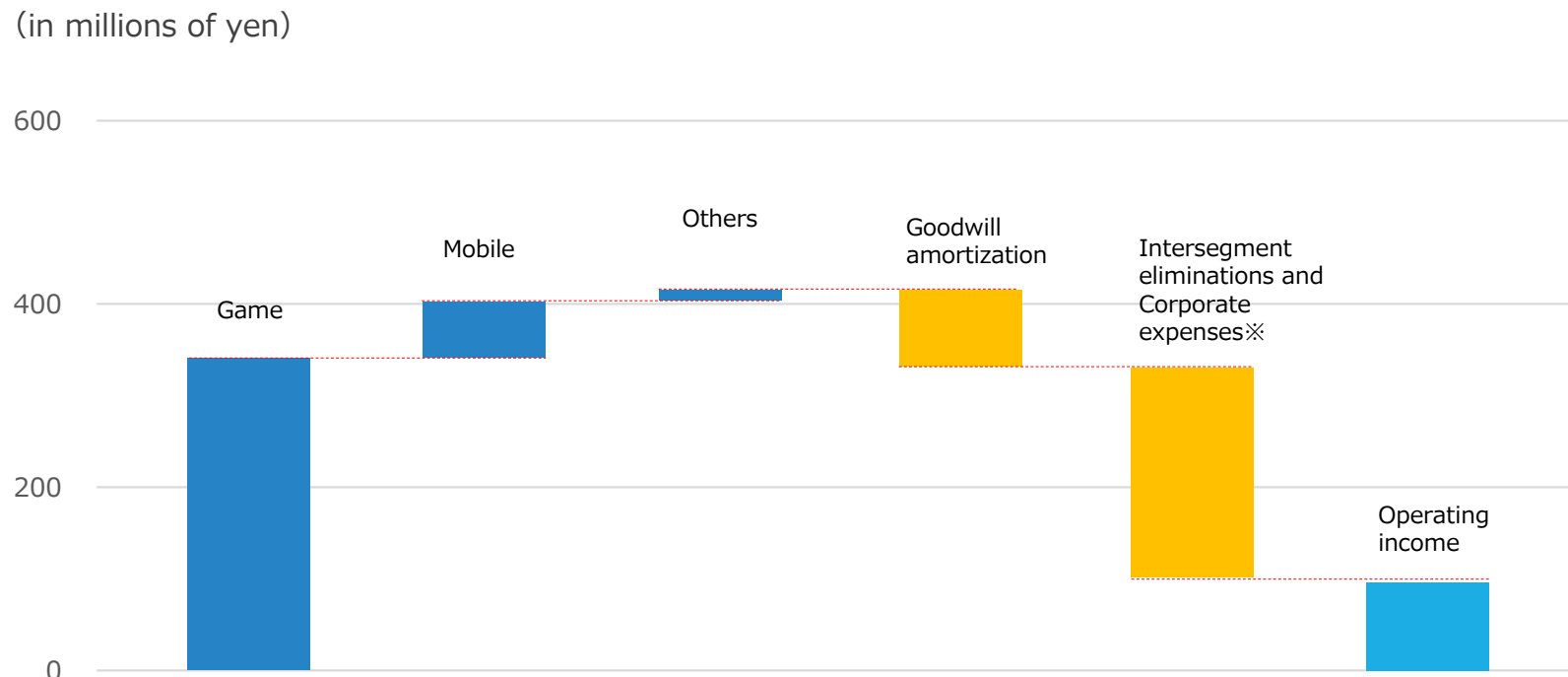


FY2025 Forecast



## 2. Forecasts by Segment (2) Breakdown of full-year operating income forecast

The full-year operating income forecast is 100 million yen.



※ Corporate expenses are general and administrative expenses that do not belong to any reportable segment.

## III. Company Profile



# 1. Company Profile

## (1) Basic Information and History

### ■ Basic Information

Date of Establishment: December 11, 1991

Head Office Address: 7F, Shibakoen First Building, 3-8-2 Shiba, Minato-ku, Tokyo 105-0014, Japan

Capital: JPY592,845,020 (as of June 30, 2024)

Number of Employees: consolidated 918 (as of September 30, 2024. It includes 46 average temporary employees)

Fiscal Year End: June 30

### ■ History

- Dec. 1991 Established as 株式会社新都市科学研究所.
- Nov. 1995 Started mobile communications business (now mobile business).
- Mar. 1997 Company name changed to Nepro Japan Co., Ltd.
- Jul. 2000 Started suburban cell phone store business (now PiPoPark).
- Apr. 2006 Listed on JASDAQ stock exchange.
- Sep. 2011 Mobile & Game Studio (now Game Studio Inc.) becomes a consolidated subsidiary.
- Apr. 2014 Transitioned to holding company structure.
- Dec. 2014 docomo shop business transferred to ranet Co.,Ltd.
- Mar. 2015 tri-Ace Inc. becomes a consolidated subsidiary.
- Sep. 2015 TOTEC Corporation (now DELTA ENGINEERING Co.Ltd.) becomes a consolidated subsidiary.
- Dec. 2015 Company name changed to NJ Holdings Inc.
- Jun. 2017 Acquisition of Boom's business.
- Dec. 2017 Established Wit One Inc., a game operation/customer support company.
- Jul. 2018 Transferred a portion of TOTEC (now DELTA ENGINEERING Co.Ltd.) stock to DELTA Holdings.
- Oct. 2018 Wit One acquired ISAO's game operational business.
- Jun. 2019 Changed fiscal year end from March to June.
- Nov. 2019 Merger of three companies, Wit One, Boom and NJ One.
- Mar. 2020 Wit One Okinawa joined our group.
- Jul. 2020 Tech Flag Corporation was established.
- Apr. 2022 Moved to the Tokyo Stock Exchange Standard Market due to the revision of the market classification.
- Jul. 2023 Transfer of all remaining DELTA ENGINEERING Co.Ltd shares to DELTA Holdings.

# 1. Company Profile

## (2) Our Business and Main Group Companies



※ Wit One Okinawa joined our group in March 2020.

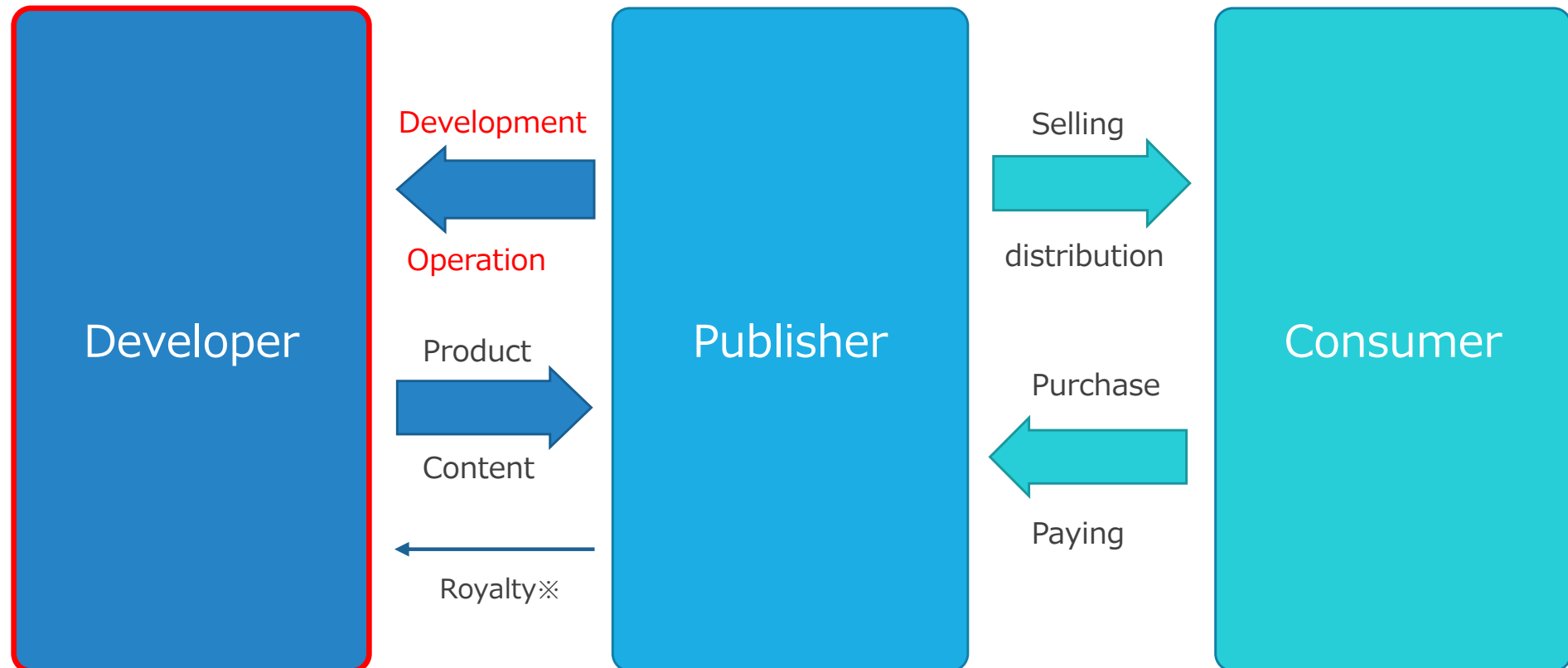
※ Tech Flag Corporation was established in July 2020 to strengthen the Group's technological collaboration and promote productivity improvement.

## 2. Game Business

### (1) The Main Field of Our Game Business

- Our game business consists mainly of contracted development, post-launch operations and customer support.

Our business



\* Sales and other conditions may need to be met for royalty accrual.

## 2. Game Business

### (2) Services for mobile app games

- Scope of each company's game business

Planning and Development	Post-launch Operations			
	Event planning Development of additional content	Monitoring user voice and app behavior	User support Web site/SNS KPI Analysis	Localization Translation Market Analysis
				
				
				

## Contact details

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Investor Relations Office

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URL : <https://www.njhd.jp/ir/>